11/16/82 U7860-14

UNL news
Vol. 62 No. 11 November 1982 (ISSN 0149-4163)
Published once in June and July; twice in Feb., May, Aug., Sept., Nov., and Dec.; three times in Jan. and Mar.; and four times in Apr. and Oct. by the University of Nebraska–Lincoln, Dept. of Publications Services & Control, 209 Nebraska Hall, Lincoln, NE 68588-0524. Second-Class Postage Paid at Lincoln, NE. POSTMASTER: Send address changes to UNL News, Dept. of Publications Services & Control, 209 Nebraska Hall, University of Nebraska–Lincoln, Lincoln, NE 68588-0524.

Business in Nebraska BB
Prepared by the Bureau of Business Research
College of Business Administration
60 Years of Service

# POVERTY OF NEBRASKA COUNTIES

The third in a series of five summary tape files from the 1980 census has been released for Nebraska. Summary Tape File 3 (STF 3) contains sample data, that is, information contained on the long census form and obtained from a portion of the households in the state. The proportion of households sampled depended on the size of the governmental unit in which they were located. For counties, some townships (precincts), and communities which had fewer than 2,500 people, one of every two households received the long form. For the remainder of the state, only one out of six households received the long form. Because of the large number of lightly populated areas in the state, the overall sampling rate for Nebraska was 25 percent. As should be expected, the proportion ranged from approximately 50 percent for most of the state's less populated counties to around 16 or 17 percent for Douglas and Lancaster counties.

The information contained on STF 3 consists of more than 1,000 basic tabulations of sample population and housing data (e.g., income, poverty, education, employment, occupation, and detailed characteristics of housing units). These summaries of sample information are available on STF 3 for the state, counties, townships or precincts, places (cities or towns), census tracts or block numbering areas, and block groups. For areas that are not block numbered, enumeration districts are available.

The October 1982 issue of *Business in Nebraska* focused on one element from STF 3, median family income. This issue will focus on poverty status of families and persons in the state. Poverty levels for families and unrelated individuals[1] are based on incomes in 1979 by using a range of income cutoffs which vary by size of family, number of children, and age of the family householder or unrelated individual. Residents of institutions, members of armed forces living in barracks, college students living in dormitories, and unrelated individuals under 15 years are excluded from poverty status calculations. The poverty thresholds for 1979 are presented in Table 1.

Table 2 (pp. 2-3) presents poverty status data of families and persons in Nebraska counties for 1979 with comparisons to 1969. Poverty statistics may not be directly comparable between 1969 and 1979 because in 1969 poverty thresholds also depended on sex of household head and whether the household was a farm or nonfarm household. Since the poverty thresholds were lower for farm households than they were for nonfarm households, there is the likelihood of a relative understatement of families and persons below poverty when data from 1979 are compared to those from 1969 (especially in counties with large farm populations).

In 1979 there were 33,316 Nebraska families below the poverty level, representing 8.0 percent of the state's families. This compares favorably with the United States figure of 9.6 percent. Between 1969 and 1979, the number of Nebraska families below poverty fell both as a total and as a percentage. There were 37,868 families, or 10.1 percent of the state's families, below poverty in 1969.

The data in the second column indicate the variability of poverty rates among the state's counties. The lowest rates were found in Sarpy County where 4.2 percent of the families fell below the poverty level. Other counties with low rates were Hall, Box Butte, Lincoln, and Lancaster counties. On the other hand, 5 Nebraska counties reported levels of 20 percent or greater. The highest was Greeley with a rate of 24.3 percent, followed by Boyd, Logan, Blaine, and Thurston.

Figure 1 (p. 3) shows the relative dispersion of poverty among families throughout the state. In all, 25 counties were at or below the state average. These counties were among the state's most populous and nearly all contained a city larger than 5,000 persons. Almost all of the counties gained population during the 1970s and in most the major source of income and employment was something other than agriculture.

On the other hand, the 31 counties which recorded poverty rates of 13 percent or more exhibited (continued on page 6)

Table 1
WEIGHTED AVERAGE POVERTY THRESHOLDS FOR 1979

| Size of Family | Threshold |
|---|---|
| 1 person: | |
| under 65 years | $ 3,774 |
| 65 years and over | 3,479 |
| 2 persons: | |
| householder under 65 years | 4,876 |
| householder 65 years and over | 4,389 |
| 3 persons | 5,787 |
| 4 persons | 7,412 |
| 5 persons | 8,776 |
| 6 persons | 9,915 |
| 7 persons | 11,237 |
| 8 persons | 12,484 |
| 9 or more persons | 14,812 |

Source: U.S. Department of Commerce, Bureau of the Census, *Provisional Estimates of Social, Economic, and Housing Characteristics*, PHC80-S1-1.

[1] An unrelated individual is typically a householder living alone or with nonrelatives only.

Table 2

POVERTY STATUS OF FAMILIES AND PERSONS IN NEBRASKA COUNTIES

| | 1979 | | | | | | 1969 | | Percentage Change** 1969-1979 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Number of Families | Percent of Families | Number of Persons* | Percent of All Persons* | Percent of Persons* Under 65 | Percent of Persons* 65 or Over | Percent of Families | Percent of Persons* | Percent of Families | Percent of Persons* |
| Adams | 521 | 6.5 | 2,862 | 9.8 | 8.6 | 16.5 | 8.5 | 12.3 | -24 | -20 |
| Antelope | 467 | 19.6 | 1,986 | 23.1 | 22.1 | 28.1 | 16.1 | 18.5 | 22 | 25 |
| Arthur | 24 | 15.7 | 83 | 16.2 | 16.0 | 17.1 | 10.9 | 17.0 | 44 | -5 |
| Banner | 53 | 17.9 | 183 | 19.9 | 22.2 | 2.0 | 13.1 | 22.8 | 37 | -13 |
| Blaine | 51 | 20.9 | 244 | 28.1 | 30.5 | 15.7 | 11.0 | 12.2 | 90 | 131 |
| Boone | 341 | 16.7 | 1,443 | 19.9 | 19.3 | 22.6 | 17.8 | 20.9 | -6 | -5 |
| Box Butte | 191 | 5.2 | 963 | 7.1 | 5.9 | 16.5 | 12.4 | 18.6 | -58 | -62 |
| Boyd | 208 | 21.6 | 777 | 23.8 | 23.8 | 23.6 | 32.4 | 38.9 | -33 | -39 |
| Brown | 209 | 17.0 | 837 | 19.3 | 17.4 | 28.1 | 18.7 | 22.4 | -9 | -14 |
| Buffalo | 565 | 6.6 | 3,509 | 10.9 | 10.3 | 15.5 | 11.4 | 15.9 | -42 | -31 |
| Burt | 294 | 11.7 | 1,355 | 15.7 | 15.7 | 15.9 | 12.8 | 16.7 | -9 | -6 |
| Butler | 257 | 10.3 | 1,140 | 12.5 | 10.5 | 21.2 | 20.7 | 21.6 | -50 | -42 |
| Cass | 334 | 6.0 | 1,441 | 7.2 | 6.3 | 13.6 | 9.7 | 11.6 | -38 | -38 |
| Cedar | 421 | 14.7 | 2,198 | 19.7 | 19.3 | 21.7 | 27.7 | 32.5 | -47 | -39 |
| Chase | 191 | 14.6 | 789 | 17.0 | 15.8 | 24.1 | 13.5 | 16.8 | 8 | 1 |
| Cherry | 188 | 9.6 | 906 | 13.6 | 13.9 | 11.8 | 11.8 | 13.8 | -19 | -1 |
| Cheyenne | 242 | 8.6 | 1,215 | 12.2 | 11.9 | 13.7 | 11.7 | 12.9 | -26 | -5 |
| Clay | 206 | 9.0 | 960 | 12.1 | 10.8 | 18.6 | 12.8 | 15.2 | -30 | -20 |
| Colfax | 313 | 11.7 | 1,323 | 13 6 | 12.6 | 17.6 | 13.0 | 15.6 | -10 | -13 |
| Cuming | 326 | 10.6 | 1,530 | 13.4 | 12.9 | 15.8 | 17.1 | 19.6 | -38 | -32 |
| Custer | 478 | 12.2 | 2,066 | 15.1 | 13.9 | 20.6 | 14.3 | 17.5 | -15 | -14 |
| Dakota | 311 | 7.1 | 1,576 | 9.6 | 9.2 | 14.0 | 9.5 | 12.0 | -25 | -20 |
| Dawes | 221 | 9.4 | 1,350 | 15.4 | 14.5 | 20.4 | 13.2 | 16.5 | -29 | -7 |
| Dawson | 401 | 6.4 | 1,895 | 8.6 | 7.8 | 13.9 | 10.3 | 12.7 | -38 | -32 |
| Deuel | 58 | 8.1 | 267 | 11.0 | 11.5 | 8.9 | 4.3 | 6.5 | 88 | 69 |
| Dixon | 304 | 15.9 | 1,338 | 19.0 | 18.4 | 21.8 | 12.9 | 14.7 | 23 | 29 |
| Dodge | 700 | 7.1 | 3,042 | 8.8 | 7.7 | 15.3 | 9.3 | 10.9 | -24 | -19 |
| Douglas | 7,266 | 7.2 | 38,486 | 9.9 | 9.6 | 12.8 | 6.7 | 9.8 | 7 | 1 |
| Dundy | 113 | 13.3 | 484 | 17.3 | 16.5 | 20.6 | 10.9 | 15.4 | 22 | 12 |
| Fillmore | 199 | 9.0 | 842 | 11.0 | 9.8 | 16.3 | 12.5 | 15.8 | -28 | -30 |
| Franklin | 171 | 13.3 | 680 | 15.9 | 15.0 | 19.1 | 15.6 | 17.6 | -15 | -10 |
| Frontier | 116 | 11.2 | 555 | 15.5 | 15.3 | 16.6 | 14.5 | 18.6 | -23 | -17 |
| Furnas | 239 | 12.9 | 1,102 | 17.7 | 17.2 | 19.1 | 14.1 | 16.6 | -9 | 7 |
| Gage | 537 | 7.9 | 2,411 | 10.4 | 9.3 | 15.3 | 10.5 | 13.2 | -25 | -21 |
| Garden | 74 | 8.7 | 301 | 11.1 | 10.9 | 11.5 | 17.9 | 21.9 | -51 | -49 |
| Garfield | 80 | 12.0 | 413 | 17.6 | 15.4 | 25.2 | 16.5 | 24.1 | -27 | -27 |
| Gosper | 81 | 13.0 | 321 | 15.4 | 14.3 | 21.5 | 16.2 | 18.5 | -20 | -17 |
| Grant | 31 | 13.0 | 132 | 15.1 | 15.6 | 11.8 | 9.4 | 7.8 | 38 | 94 |
| Greeley | 210 | 24.3 | 977 | 29.1 | 29.2 | 28.4 | 19.5 | 25.5 | 25 | 14 |
| Hall | 583 | 4.6 | 3,151 | 6.8 | 5.7 | 14.8 | 7.9 | 10.7 | -42 | -36 |
| Hamilton | 201 | 7.9 | 947 | 10.5 | 10.0 | 13.9 | 11.4 | 14.3 | -31 | -27 |
| Harlan | 195 | 15.6 | 776 | 18.4 | 18.3 | 18.8 | 11.2 | 14.2 | 39 | 30 |
| Hayes | 72 | 17.2 | 269 | 19.8 | 20.4 | 16.3 | 20.1 | 23.0 | -14 | -14 |
| Hitchcock | 147 | 12.5 | 619 | 15.5 | 15.8 | 14.1 | 18.0 | 22.9 | -31 | -32 |
| Holt | 554 | 15.2 | 2,425 | 18.2 | 17.4 | 23.2 | 21.3 | 25.2 | -29 | -28 |
| Hooker | 37 | 13.6 | 177 | 18.4 | 17.9 | 21.2 | 8.4 | 9.2 | 62 | 100 |
| Howard | 161 | 8.4 | 744 | 11.1 | 9.9 | 17.6 | 19.1 | 21.8 | -56 | -49 |
| Jefferson | 321 | 11.4 | 1,471 | 15.3 | 14.9 | 16.7 | 15.1 | 18.4 | -25 | -17 |
| Johnson | 227 | 15.0 | 932 | 17.9 | 18.1 | 17.2 | 16.2 | 18.9 | -7 | -5 |
| Kearney | 142 | 7.3 | 624 | 9.3 | 8.6 | 13.7 | 11.0 | 14.1 | -34 | -34 |
| Keith | 205 | 7.7 | 880 | 9.5 | 8.4 | 17.2 | 8.1 | 9.9 | -5 | -4 |
| Keya Paha | 54 | 14.2 | 214 | 16.5 | 16.7 | 15.6 | 31.7 | 33.2 | -55 | -50 |
| Kimball | 144 | 10.7 | 604 | 12.6 | 12.9 | 10.7 | 10.8 | 12.6 | -1 | 0 |
| Knox | 491 | 15.9 | 2,266 | 20.2 | 19.9 | 21.6 | 27.7 | 30;5 | -43 | -34 |
| Lancaster | 2,570 | 5.4 | 15,453 | 8.6 | 8.4 | 9.9 | 5.9 | 9.6 | -8 | -10 |
| Lincoln | 525 | 5.3 | 2,636 | 7.3 | 6.4 | 14.6 | 9.1 | 11.8 | -42 | -38 |
| Logan | 59 | 21.1 | 243 | 25.5 | 27.3 | 15.9 | 8.3 | 11.4 | 154 | 124 |
| Loup | 29 | 11.6 | 114 | 13.3 | 12.7 | 16.0 | 19.0 | 21.2 | -39 | -37 |
| McPherson | 29 | 15.8 | 117 | 19.7 | 23.2 | 3.8 | 18.1 | 18.9 | -13 | 4 |
| Madison | 543 | 6.7 | 2,823 | 9.3 | 7.9 | 18.3 | 8.5 | 11.6 | -21 | -20 |

Table 2 (continued)

| | 1979 | | | | | | 1969 | | Percentage Change** 1969-1979 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Number of Families | Percent of Families | Number of Persons* | Percent of All Persons* | Percent of Persons* Under 65 | Percent of Persons* 65 or Over | Percent of Families | Percent of Persons* | Percent of Families | Percent of Persons* |
| Merrick | 226 | 9.1 | 1,015 | 11.5 | 11.2 | 13.3 | 9.9 | 14.6 | -8 | -21 |
| Morrill | 307 | 17.7 | 1,330 | 22.3 | 22.9 | 19.1 | 23.7 | 27.0 | -25 | -17 |
| Nance | 200 | 15.8 | 968 | 20.8 | 19.9 | 24.8 | 13.7 | 18.0 | 15 | 16 |
| Nemaha | 252 | 10.8 | 1,239 | 15.5 | 14.3 | 21.0 | 10.4 | 12.1 | 4 | 28 |
| Nuckolls | 154 | 8.0 | 745 | 11.3 | 8.5 | 24.3 | 14.1 | 19.3 | -43 | -41 |
| Otoe | 369 | 8.6 | 1,657 | 11.2 | 10.4 | 15.0 | 8.0 | 10.8 | 8 | 4 |
| Pawnee | 174 | 15.1 | 747 | 19.3 | 18.5 | 22.2 | 19.9 | 24.3 | -24 | -21 |
| Perkins | 132 | 12.9 | 581 | 16.2 | 16.4 | 15.1 | 6.4 | 7.0 | 102 | 131 |
| Phelps | 201 | 7.3 | 932 | 9.8 | 8.7 | 15.2 | 9.5 | 11.3 | -23 | -13 |
| Pierce | 258 | 11.1 | 1,136 | 13.6 | 12.6 | 19.0 | 20.1 | 23.9 | -45 | -43 |
| Platte | 475 | 6.2 | 2,286 | 8.0 | 6.9 | 16.2 | 8.7 | 11.1 | -29 | -28 |
| Polk | 227 | 12.9 | 869 | 14.1 | 13.6 | 16.4 | 11.6 | 14.4 | 11 | -2 |
| Red Willow | 223 | 6.5 | 1,191 | 9.6 | 8.6 | 15.0 | 9.6 | 12.9 | -32 | -26 |
| Richardson | 373 | 11.8 | 1,763 | 16.0 | 14.8 | 20.5 | 14.7 | 20.0 | -20 | -20 |
| Rock | 67 | 10.2 | 327 | 13.9 | 14.3 | 11.9 | 17.6 | 29.7 | -42 | -53 |
| Saline | 312 | 8.7 | 1,479 | 12.0 | 11.4 | 14.5 | 11.2 | 14.3 | -22 | -16 |
| Sarpy | 920 | 4.2 | 4,077 | 4.9 | 4.8 | 7.1 | 5.7 | 6.2 | -26 | -21 |
| Saunders | 379 | 7.5 | 1,780 | 9.6 | 8.9 | 13.8 | 13.4 | 16.2 | -44 | -41 |
| Scotts Bluff | 894 | 8.5 | 4,445 | 11.8 | 11.2 | 16.1 | 10.9 | 14.2 | -22 | -17 |
| Seward | 315 | 7.8 | 1,475 | 10.3 | 9.5 | 14.9 | 8.9 | 12.7 | -12 | -19 |
| Sheridan | 241 | 11.7 | 992 | 13.5 | 11.9 | 22.1 | 15.0 | 20.7 | -22 | -35 |
| Sherman | 176 | 15.2 | 831 | 20.0 | 19.0 | 24.3 | 22.7 | 26.6 | -33 | -25 |
| Sioux | 59 | 11.0 | 249 | 13.5 | 13.3 | 14.6 | 22.9 | 25.6 | -52 | -47 |
| Stanton | 207 | 11.7 | 960 | 14.8 | 13.8 | 22.7 | 20.5 | 24.7 | -43 | -40 |
| Thayer | 197 | 8.9 | 831 | 11.3 | 9.9 | 17.0 | 15.3 | 17.9 | -42 | -37 |
| Thomas | 32 | 11.3 | 101 | 10.4 | 8.7 | 22.7 | 10.2 | 9.3 | 11 | 12 |
| Thurston | 361 | 20.0 | 1,720 | 24.3 | 24.3 | 24.2 | 20.2 | 27.8 | -1 | -13 |
| Valley | 209 | 13.2 | 971 | 17.6 | 16.5 | 22.3 | 18.3 | 23.2 | -28 | -24 |
| Washington | 270 | 6.4 | 1,185 | 8.0 | 7.3 | 13.3 | 8.4 | 9.7 | -24 | -18 |
| Wayne | 293 | 11.8 | 1,449 | 16.8 | 16.8 | 16.5 | 13.3 | 17.0 | -11 | -1 |
| Webster | 158 | 11.5 | 725 | 15.3 | 12.1 | 27.4 | 21.2 | 26.6 | -46 | -43 |
| Wheeler | 50 | 16.7 | 222 | 20.9 | 22.0 | 14.0 | 20.6 | 24.6 | -19 | -15 |
| York | 324 | 8.0 | 1,444 | 10.1 | 9.5 | 13.9 | 8.3 | 10.7 | -4 | -6 |
| Nebraska | 33,316 | 8.0 | 163,189 | 10.7 | 10.0 | 15.5 | 10.1 | 13.1 | -21 | -18 |
| United States | 5,646,520 | 9.6 | 27,525,858 | 12.5 | 12.2 | 14.7 | 10.7 | 13.7 | -10 | -9 |

*Persons include only those for whom poverty status has been determined.

**The percentage changes represent changes in the rates of families or persons below poverty and not changes in the numbers of families or persons.

Source: U.S. Department of Commerce, Bureau of the Census, *General Social and Economic Characteristics*, PC(1)-C-29, and unpublished data from STF 3.

Figure 1
PERCENT OF FAMILIES BELOW POVERTY
1979

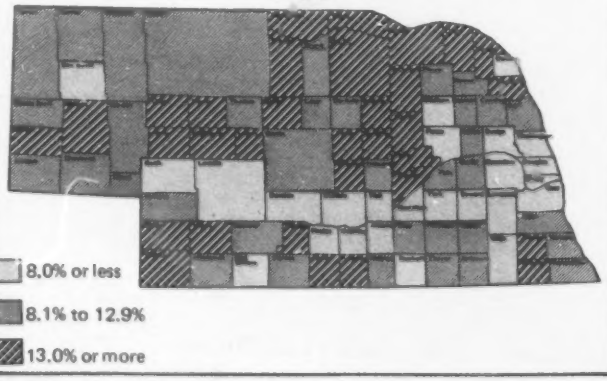
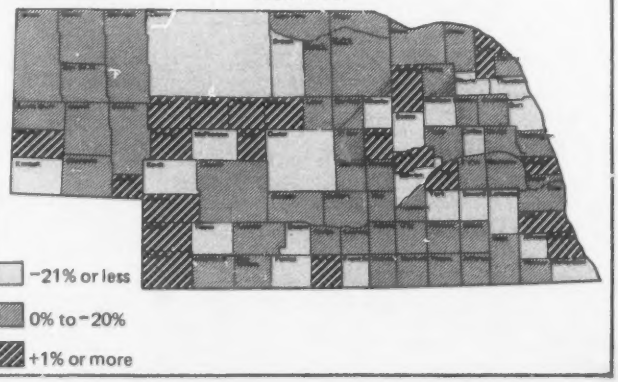



Figure 2
PERCENTAGE CHANGE OF FAMILIES BELOW POVERTY
1969-1979






BEST AVAILABLE COPY

## Review and Outlook

Nebraska's net physical volume index increased 1.1 percent June-July 1982. This marks the second monthly increase in the index in 5 months. Despite the monthly increase, the Nebraska economy remains approximately 2 percent below the year-previous level as measured by this index.

The gain in the index is attributable to increased cash farm marketings and gains in the construction and distributive trade sectors of the economy.

The index's agriculture component was up 3.8 percent June-July 1982. Unusually heavy marketings were responsible for the gain. Cash marketing receipts were up nearly 24 percent in July 1982 compared with the year previous. On a month-to-month basis, cash farm marketings were up nearly 13 percent. Apparently the large cash farm marketings resulted from a movement of commodities from storage to the markets.

In July, Nebraska producers were more aggressive in marketing commodities than producers in other states. Nationally, cash farm marketings were 3 percent above year-ago levels. Nebraska producers recorded a 24 percent increase in marketings in the same period.

The nonagriculture sector of the Nebraska economy recorded a 0.6 percent increase June-July 1982. Construction led with an 8.6 percent increase on a month-to-month basis. Despite the rather sharp monthly increase, construction activity remains well below year-previous levels. (continued on page 5)

Notes for Tables 1 and 2: (1) The "distributive" indicator represents a composite of wholesale and retail trade; transportation, communication and utilities; finance, insurance, and real estate; and selected services. (2) The "physical volume" indicator and its components represent the dollar volume indicator and its components adjusted for price changes using appropriate price indexes--see Table 5, page 5.

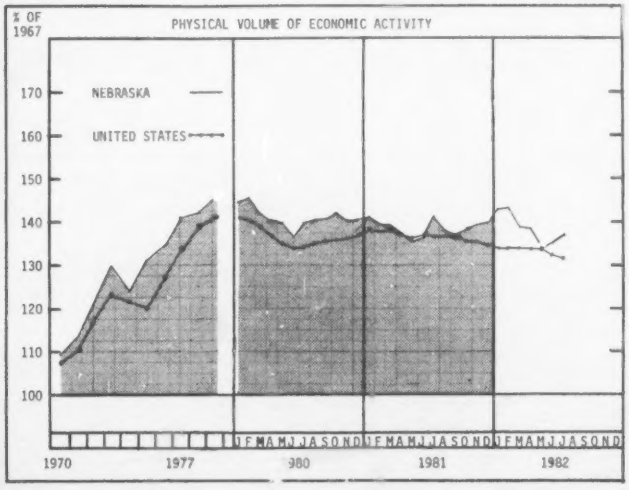
### ECONOMIC INDICATORS: NEBRASKA AND UNITED STATES

1. CHANGE FROM PREVIOUS YEAR

| July 1982 | Current Month as Percent of Same Month Previous Year | | 1982 Year to Date as Percent of 1981 Year to Date | |
|---|---|---|---|---|
| Indicator | Nebraska | U.S. | Nebraska | U.S. |
| Dollar Volume | 102.3 | 101.5 | 104.3 | 103.1 |
| Agricultural | 133.0 | 102.6 | 137.7 | 108.0 |
| Nonagricultural | 98.4 | 101.4 | 100.1 | 103.0 |
| Construction | 79.7 | 96.0 | 70.3 | 92.2 |
| Manufacturing | 81.3 | 90.4 | 89.9 | 94.6 |
| Distributive | 103.0 | 105.6 | 103.2 | 106.2 |
| Government | 107.4 | 108.0 | 110.1 | 110.0 |
| Physical Volume | 98.0 | 96.1 | 99.9 | 97.1 |
| Agricultural | 139.8 | 106.0 | 145.6 | 114.2 |
| Nonagricultural | 92.7 | 95.8 | 94.2 | 96.6 |
| Construction | 76.9 | 92.5 | 67.5 | 88.4 |
| Manufacturing | 79.9 | 88.3 | 87.8 | 91.8 |
| Distributive | 96.7 | 99.2 | 96.4 | 99.2 |
| Government | 99.5 | 99.3 | 101.5 | 98.3 |

2. CHANGE FROM 1967

| Indicator | Percent of 1967 Average | |
|---|---|---|
| | Nebraska | U.S. |
| Dollar Volume | 379.3 | 363.4 |
| Agricultural | 415.9 | 353.7 |
| Nonagricultural | 373.5 | 363.7 |
| Construction | 210.0 | 304.3 |
| Manufacturing | 311.3 | 291.6 |
| Distributive | 406.4 | 407.1 |
| Government | 400.9 | 373.2 |
| Physical Volume | 137.0 | 132.1 |
| Agricultural | 165.0 | 143.2 |
| Nonagricultural | 132.7 | 131.8 |
| Construction | 62.5 | 90.6 |
| Manufacturing | 129.5 | 118.3 |
| Distributive | 139.1 | 139.3 |
| Government | 143.9 | 147.5 |

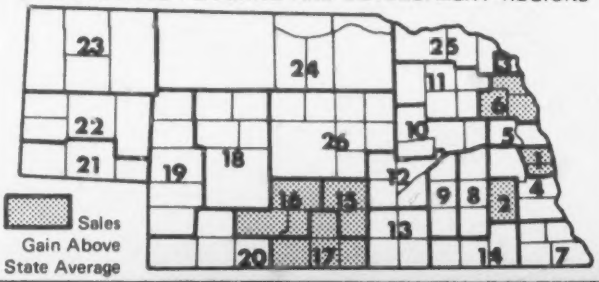



### 3. NET TAXABLE RETAIL SALES OF NEBRASKA REGIONS AND CITIES (Adjusted for Price Changes)

| Region Number and City | City Sales* | Sales in Region* | |
|---|---|---|---|
| | July 1982 as percent of July 1981 | July 1982 as percent of July 1981 | Year to date'82 as percent of Year to date'81 |
| *The State* | 93.5 | 94.3 | 94.5 |
| 1 Omaha | 92.8 | 93.8 | 97.1 |
| Bellevue | 96.5 | | |
| 2 Lincoln | 98.9 | 100.2 | 96.0 |
| 3 So. Sioux City | 83.9 | 85.4 | 89.6 |
| 4 Nebraska City | 96.6 | 101.5 | 94.1 |
| 5 Fremont | 90.1 | 93.9 | 93.6 |
| Blair | 96.6 | | |
| 6 West Point | 100.4 | 102.6 | 97.7 |
| 7 Falls City | 92.1 | 98.0 | 94.8 |
| 8 Seward | 96.7 | 100.1 | 94.0 |
| 9 York | 100.0 | 95.3 | 94.3 |
| 10 Columbus | 99.8 | 93.2 | 91.6 |
| 11 Norfolk | 94.2 | 93.0 | 92.0 |
| Wayne | 82.7 | | |
| 12 Grand Island | 96.1 | 95.0 | 91.2 |
| 13 Hastings | 82.8 | 85.6 | 89.3 |
| 14 Beatrice | 94.9 | 97.4 | 93.1 |
| Fairbury | 102.4 | | |
| 15 Kearney | 94.1 | 95.9 | 96.2 |
| 16 Lexington | 95.3 | 88.9 | 95.0 |
| 17 Holdrege | 101.3 | 100.0 | 95.5 |
| 18 North Platte | 93.8 | 92.6 | 90.8 |
| 19 Ogallala | 97.4 | 90.7 | 89.7 |
| 20 McCook | 95.3 | 98.5 | 93.6 |
| 21 Sidney | 96.5 | 86.8 | 93.0 |
| Kimball | 76.8 | | |
| 22 Scottsbluff/Gering | 92.1 | 93.1 | 90.1 |
| 23 Alliance | 88.9 | 88.2 | 88.5 |
| Chadron | 91.4 | | |
| 24 O'Neill | 97.6 | 93.6 | 88.4 |
| 25 Hartington | 96.3 | 96.4 | 94.1 |
| 26 Broken Bow | 79.1 | 85.9 | 88.7 |

*State totals include sales not allocated to cities or regions. The year-to-year ratios for city and region sales may be misleading because of changes in the portion of unallocated sales. Region totals include, and city totals exclude, motor vehicle sales. Sales are those on which sales taxes are collected by retailers located in the state. Compiled from data provided by Nebraska Department of Revenue.

1982 YEAR TO DATE AS PERCENT OF 1981 YEAR TO DATE IN NEBRASKA'S PLANNING AND DEVELOPMENT REGIONS






BEST AVAILABLE COPY

(continued from page 4) Data in Table 1 indicate that the construction index in July of 1982 was only 62.5 percent above the base average of 1967. On a year-to-date basis, this component of the Nebraska index was 67.5 percent of one year ago.

Output in the manufacturing sector as measured by the index declined 0.1 percent June-July 1982. The index has declined for 5 consecutive months and in July 1982 stood at approximately 80 percent of the previous year. This recession has impacted Nebraska manufacturing particularly severely. The physical volume index for Nebraska manufacturing is down more than for the nation. In the 1974-75 recession, Nebraska's manufacturing sector escaped the severity of the recession relatively unscathed. At the bottom of the recession, output had fallen less than 2 percent while nationally output was down approximately 13 percent.

The distributive trade sector component of the index increased 1 percent on a month-to-month basis. This sector is down approximately 3 percent from year-previous levels and, like manufacturing, distributive trade in Nebraska is being impacted somewhat more severely than nationally. The distributive trade component of the physical volume index in July 1982 was up 39 percent over the 1967 average.

The government component of the net physical volume index declined 1.2 percent June-July 1982. This component of the index is up slightly more than 1 percent on a year-to-date basis. Caution is warranted in interpreting the government component, for in Nebraska electric utility employees are classified as a part of the government sector.

Nebraska's retail sales were down 1.5 percent on a dollar volume basis in July 1982 compared with year-previous levels. Nonvehicle sales were down 2.3 percent, while motor vehicle sales were up 5.8 percent. Dollar volume motor vehicle sales were approximately $83 million in July 1982 compared with $78 million a year ago. Nonvehicle sales were approximately $704 million in July 1982 compared with $720 million one year ago.

The commodity component of the Consumer Price Index increased 4.5 percent through July 1982. When adjustments are made for price changes, retail sales fell 5.7 percent. Nonvehicle sales were down 6.5 percent on a price-adjusted basis, while motor vehicle sales were up 1.2 percent on a price-adjusted basis.

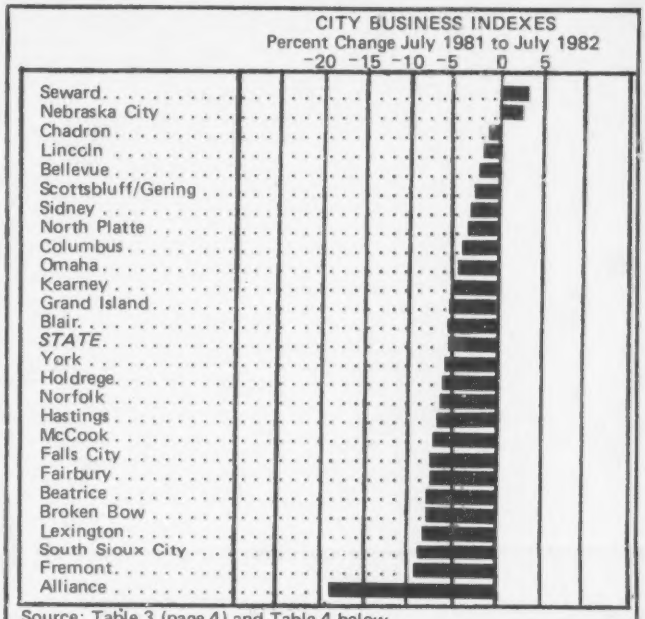
Only two Nebraska cities, Seward and Nebraska City, managed to record increases in their respective city business indexes. Construction activity was important in both communities in pushing the indexes to the top.

Data in Table 3 indicate that only three Nebraska cities managed to record increases in real retail sales. Real retail sales were up 2.4 percent in Fairbury, 1.3 percent in Holdrege, 0.4 percent in West Point, and were unchanged in York. D. E. P.

5. PRICE INDEXES

| July 1982 | Index (1967 = 100) | Percent of Same Month Last Year | Year to Date as Percent of Same Period Last Year* |
|---|---|---|---|
| Consumer Prices | 292.2 | 106.5 | 107.1 |
| Commodity component | 266.5 | 104.5 | 104.3 |
| Wholesale Prices | 300.6 | 101.5 | 103.5 |
| Agricultural Prices | | | |
| United States | 247.0 | 96.9 | 94.6 |
| Nebraska | 252.0 | 95.1 | 94.9 |

*Using arithmetic average of monthly indexes.
Sources: Consumer and Wholesale Prices: U.S. Bureau of Labor Statistics; Agricultural Prices: U.S. Department of Agriculture.




Source: Table 3 (page 4) and Table 4 below.

4. JULY CITY BUSINESS INDICATORS

| The State and Its Trading Centers | Percent of Same Month a Year Ago: Employment[1] | Building Activity[2] | Power Consumption[3] |
|---|---|---|---|
| *The State* | 97.3 | 73.6 | 91.3 |
| Alliance | 89.3 | 17.5 | 94.0 |
| Beatrice | 97.2 | 42.2 | 85.2 |
| Bellevue | 98.7 | 101.4 | 94.5 |
| Blair | 95.3 | 66.7 | NA |
| Broken Bow | 99.1 | 150.4 | 95.9 |
| Chadron | 102.6 | 129.8 | 87.3 |
| Columbus | 93.4 | 75.3 | 94.3 |
| Fairbury | 96.0 | 24.5 | 97.7 |
| Falls City | 97.4 | 55.7 | 80.5 |
| Fremont | 96.0 | 49.4 | 82.9* |
| Grand Island | 97.4 | 58.0 | 97.6 |
| Hastings | 98.1 | 146.8 | 109.6 |
| Holdrege | 95.8 | 36.8 | 91.6 |
| Kearney | 96.7 | 82.5 | 96.8 |
| Lexington | 94.2 | 41.8 | NA |
| Lincoln | 99.0 | 85.3 | 88.4 |
| McCook | 92.3 | 67.6 | 97.7 |
| Nebraska City | 96.0 | 324.9 | 89.5 |
| Norfolk | 94.7 | 77.7 | 95.9 |
| North Platte | 100.0 | 73.7 | 95.5 |
| Omaha | 98.7 | 84.4 | 90.4 |
| Scottsbluff/Gering | 97.7 | 123.7 | 94.3 |
| Seward | 98.1 | 282.6 | 97.4 |
| Sidney | 96.6 | 87.7 | 108.3 |
| So. Sioux City | 101.6 | 58.2 | 94.3 |
| York | 96.1 | 42.3 | 85.4 |

[1] As a proxy for city employment, total employment for the county in which a city is located is used.
[2] Building Activity is the value of building permits issued as spread over an appropriate time period of construction. The U.S. Department of Commerce Composite Construction Cost Index is used to adjust construction activity for price changes.
[3] Power Consumption is a combined index of consumption of electricity and natural gas except in cases marked * for which only one is used.

Source: Compilation by Bureau of Business Research from reports of private and public agencies.

(continued from page 1) the opposite characteristics. These counties were less populated with almost no cities larger than 2,500, they had typically lost population for several decades, and were heavily dependent on agriculture.

In 1979, 10.7 percent of Nebraska's persons[2] were below the poverty level (163,189 persons). This compared with a 12.5 percent national rate and a 13.1 percent rate for Nebraska in 1969. The poverty rates varied considerably by age, as 10.0 percent of persons under 65 were below poverty compared to 15.5 percent of the persons 65 and older. Compared to 1969, all of the decline in relative poverty mentioned earlier occurred for persons 65 and older, as their rate fell from 28.3 percent to 15.5 percent. The rates for the younger group were virtually unchanged.

At the county level, a pattern very similar to family poverty emerged. Twenty-five counties were at or below the Nebraska rate. With a rate of 4.9 percent, Sarpy was by far the lowest. Other counties with relatively low poverty levels for persons were Hall, Box Butte, Cass, and Lincoln counties. The highest levels were recorded in Greeley, Blaine, Logan, Thurston, Boyd, and Antelope counties. In Greeley, Blaine, and Logan counties, more than one-fourth of the persons were below poverty.

Table 2 also shows poverty rates in 1969 for counties. When comparing 1969 to 1979 data it should be remembered that the definitions of poverty changed between those time periods, and counties with a relatively high farm population will have a built-in upward bias on year-to-year comparisons. Year-to-year comparisons of poverty or income data also should be viewed with extreme caution because of fluctuations in agricultural income. These fluctuations make it possible for any given year's figure to be unrepresentative of the longer-term situation.

The percentage changes listed are changes in the rates of poverty and not the numbers of families or persons. This is a more valid comparison, because between the 1970 and 1980 censuses some counties lost population and some grew. The growth or decline, therefore, would have a direct effect on the size of population below poverty.

As can be seen in Figure 2 (p. 3), most of the counties in the state experienced declines in family poverty rates. Overall, 73 counties recorded decreases in their poverty levels, and 23 of those reported declines equal to or greater than the state's decline of 21 percent. Counties in which poverty rates were cut in half were Box Butte, -58 percent; Howard, -56 percent; Keya Paha, -55 percent; Sioux, -52 percent; Garden, -51 percent; and Butler, -50 percent.

There is no apparent pattern to the distribution of changes in poverty status among counties. Counties whose poverty rates increased were spread throughout the state, although there were some pockets of counties in the Sandhills and along the Colorado border. With the exception of Douglas and Nemaha counties, these counties were predominately rural with agriculture-related economies. The counties exhibiting the largest drop in poverty rates also were scattered through the state but, compared to those with increasing rates, a higher proportion of them contained a community larger than 2,500 and fewer of them were as dependent upon agriculture.

In light of the poverty statistics collected from the 1980 census, it can be concluded that Nebraska has improved relative to 1969 and relative to the nation. For both families and persons there was relatively less poverty, with the largest improvement occurring for those persons 65 and over. J. A. D.

[2] This includes only those persons for whom poverty status was determined.

## HOW TO OBTAIN CENSUS DATA

Under a voluntary agreement with the U.S. Bureau of the Census, the Bureau of Business Research receives copies of each publication, microfiche, and computer tape produced for Nebraska from the 1980 census. During the past two years, several issues of *Business in Nebraska* have looked at some of the census data at the state and county levels, but this is only the tip of the iceberg. There are an additional 7,000 geographic units in the state for which at least 1,450 data items are available—only a small portion of which will ever be published. Community-level census data have been used by businesses to help develop marketing strategies and determine site location and by governments to determine community profiles and identify areas of need. For more information concerning the content and cost of obtaining data products currently available from the 1980 census, contact the Bureau of Business Research at (402) 472-2334 or at Room 200 in the College of Business Administration.



**UNL news**

Published once in June and July; twice in Feb., May, Aug., Sept., Nov., and Dec.; three times in Jan. and Mar.; and four times in Apr. and Oct. by the University of Nebraska–Lincoln, Dept. of Publications Services & Control, 209 Nebraska Hall, Lincoln, NE 68588-0524. Second-Class Postage Paid at Lincoln, NE. POSTMASTER: Send address changes to UN'. News, Dept. of Publications Services & Control, 209 Nebraska Hall, University of Nebraska–Lincoln, Lincoln, NE 68588-0524

**BUSINESS IN NEBRASKA**
**PREPARED BY BUREAU OF BUSINESS RESEARCH**
**Member, Association for University Business & Economic Research**

*Business in Nebraska* is issued monthly as a public service and mailed free within the State upon request to 200 CBA, University of Nebraska–Lincoln, Lincoln, NE 68588-0406. Material herein may be reproduced with proper credit.

No. 458 November 1982

UNIVERSITY OF NEBRASKA–LINCOLN
Martin A. Massengale, *Chancellor*
COLLEGE OF BUSINESS ADMINISTRATION
Gary Schwendiman, *Dean*

BUREAU OF BUSINESS RESEARCH
Donald E. Pursell, *Director*
Charles L. Bare, *Statistician*
Jerome A. Deichert, *Research Associate*
Douglas O. Love, *Research Associate*
Jean T. Keefe, *Editorial Assistant*

The University of Nebraska–Lincoln does not discriminate in its academic, admission, or employment programs and abides by all federal regulations pertaining to same.

Second-Class
Postage Paid
Lincoln, NE

CONGRESSIONAL INFO SERVIC270238
SRI BR
4520 EAST WEST HWY
BETHESDA, MD 20014

12/15/82 U-7860-1 A

UNL news

Vol. 62 No. 13 December 1982 (ISSN 0149-4163)

Published once in June and July; twice in Feb., May, Aug., Sept., Nov., and Dec.; three times in Jan. and Mar.; and four times in Apr. and Oct. by the University of Nebraska–Lincoln, Dept. of Publications Services & Control, 209 Nebraska Hall, Lincoln, NE 68588-0524. Second-Class Postage Paid at Lincoln, NE. POSTMASTER: Send address changes to UNL News, Dept. of Publications Services & Control, 209 Nebraska Hall, University of Nebraska–Lincoln, Lincoln, NE 68588-0524.

# Business in Nebraska

Prepared by the Bureau of Business Research
College of Business Administration

60 Years of Service

# THE IMPACT OF THE 1980-82 RECESSION UPON EMPLOYMENT IN NEBRASKA'S MANUFACTURING SECTOR

Economists and businessmen disagree whether the United States has had two recessions or one extended recession since 1980. Economists define a recession as two consecutive quarters of declining real output. If this definition is applied, the recession started in the fourth quarter of 1981 and was over by the second quarter of 1982.

Data in Table 1 and Figure 1 summarize quarterly changes in real Gross National Product (GNP) from 1980 through the third quarter of 1982. Output declined sharply during the second quarter of 1980, then increased for three quarters before falling in the second quarter of 1981. Technically there was no recession until the fourth quarter of 1981. Furthermore, the substantial gain recorded in the first quarter of 1981—7.9%—was sufficiently large to offset the 1980 and 1981 declines. The two recessions argument notes that the economy grew at an annual rate of near 5% for three consecutive quarters, uncommon behavior for an extended recession phase. At this point, about the most that can be said is that the economy is no longer falling sharply as it was one year ago. The recovery will probably lack vigor, but this very lack of initial strength may produce a sustained recovery.

The 1980-82 recession has more severely impacted the Nebraska economy than the 1974-75 recession. In 1974-75, Nebraska escaped the devastation inflicted by the recession upon the economy. Nebraska was fortunate because grain and livestock prices were relatively high compared with prices received in the 1960s and early 1970s. The state was also benefiting from certain spillover effects resulting from the western energy boom. While Nebraska lacks energy resources similar to those in Wyoming or Colorado, the state did benefit from the movement of materials and energy products from the Rocky Mountain Region to the east. One such benefit to Nebraska was increased employment in the transportation sector, particularly the railroad employment.

Nebraska was not nearly as fortunate in 1980-82 as it was in 1974-75. Grain and livestock prices are depressed. Recent prices for corn at $2.15 per bushel compare unfavorably with a 1974 price of more than $3.00, and, as most realize, the general price level has more than doubled since the 1974-75 recession, leaving the Nebraska farmer or rancher in an unenviable position.

Before the 1980-82 recession, the notion developed that Nebraska was largely immune to recessions or that recessions arrived in Nebraska after striking nationally. After all, the state came through the last national recession with very little impact upon its economy. The 1980-82 recession seems to be dispelling the notion that Nebraska is impervious to recessions. In fact, the 1980-82 recession has been more severely felt in Nebraska than nationally.

This article reviews and compares (continued on page 3)

Table 1
REAL GROSS NATIONAL PRODUCT
PERCENTAGE CHANGE
(Annual Rate)

| 1980:1 | 1980:2 | 1980:3 | 1980:4 |
|---|---|---|---|
| +1.5 | −9.6 | +1.7 | +4.3 |
| **1981:1** | **1981:2** | **1981:3** | **1981:4** |
| +7.9 | −1.5 | +2.2 | −5.3 |
| **1982:1** | **1982:2** | **1982:3** | |
| −5.1 | +2.1 | +1.5* | |

*Preliminary.

Figure 1
REAL GROSS NATIONAL PRODUCT
PERCENTAGE CHANGE
(Annual Rate)

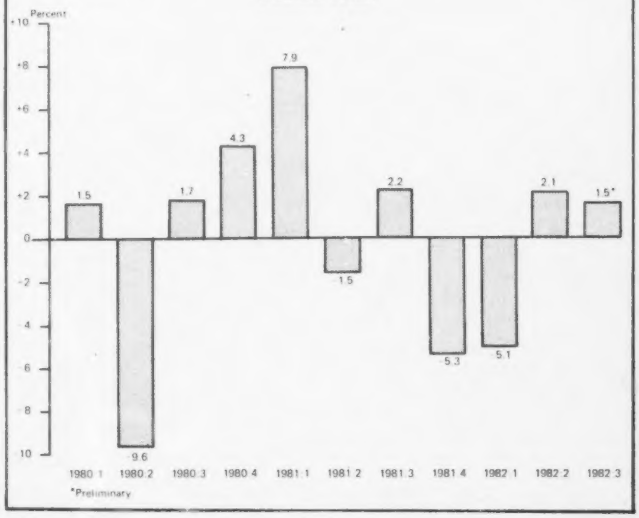


Table 2
MANUFACTURING EMPLOYMENT

| Industry | Jan. '74 | July '75 | % Change | Jan. '80 | Preliminary July '82 | % Change |
|---|---|---|---|---|---|---|
| | | *UNITED STATES* (in millions) | | | | |
| MANUFACTURING--TOTAL | 20,355.0 | 18,007.0 | -10.2 | 20,777.0 | 18,725.0 | -9 9 |
| DURABLE GOODS | 12,065.0 | 10,425.0 | -13.6 | 12,600.0 | 11,077.0 | -12.1 |
| Lumber & Wood Products | 642.9 | 573.9 | -10.7 | 717.4 | 630.8 | -12.1 |
| Furniture & Fixtures | 544.4 | 432.7 | -20.5 | 498.0 | 429.1 | -13.8 |
| Stone, Clay, & Glass Products | 682.0 | 615.1 | -9.8 | 678.2 | 589.1 | -13.1 |
| Primary Metal Industries | 1,339.9 | 1,138.3 | -15.0 | 1,207.2 | 909.1 | -24.7 |
| Fabricated Metal Products | 1,500.8 | 1,286.2 | -14.3 | 1,696.8 | 1,426.9 | -15.9 |
| Machinery, except Electrical | 2,174.8 | 2,005.0 | -7.8 | 2,538.5 | 2,262.3 | -10.9 |
| Electric & Electronic Equipment | 2,068.1 | 1,702.0 | -17.7 | 2,162.9 | 2,004.7 | -7.3 |
| Transportation Equipment | 1,800.2 | 1,623.2 | -9.8 | 1,975.8 | 1,738.6 | -12.0 |
| Instruments & Related Products | 519.2 | 481.3 | -7.3 | 697.7 | 708.3 | 1.5 |
| Misc. Manufacturing Industries | 437.2 | 395.5 | -9.5 | 427.7 | 378 4 | -11.5 |
| NONDURABLE GOODS | 8,290.0 | 7,582.0 | -8.5 | 8,177.0 | 7,648.0 | -6.5 |
| Food and Kindred Products | 1,677.5 | 1,703.4 | 1.5 | 1,659.9 | 1,672.9 | 0.8 |
| Meat Products | 334.4 | 339.5 | 1.5 | 357.3 | 341.1 | -4.5 |
| Dairy Products | 202.3 | 202.5 | 0.1 | 175.2 | 172.3 | -1.7 |
| Grain Mill | 142.6 | 138.3 | -3.0 | 143.8 | 136.6 | -5.0 |
| Tobacco Manufacturers | 80.1 | 72.0 | -10.1 | 69.1 | 60.8 | -12.0 |
| Textile Mill Products | 1,033.4 | 884.7 | -14.4 | 884.0 | 727.0 | -17.8 |
| Apparel & Other Textile Products | 1,359.5 | 1,191.4 | -12.4 | 1,282.0 | 1,095.9 | -14.5 |
| Paper & Allied Products | 709.0 | 632.9 | -10.7 | 703.5 | 659.4 | -6.3 |
| Printing & Publishing | 1,109.7 | 1,065.2 | -4.0 | 1,266.3 | 1,262.4 | 0 3 |
| Chemicals & Allied Products | 1,043.3 | 1,006.8 | -3.5 | 1,113.1 | 1,075.0 | -3.4 |
| Petroleum & Coal Products | 190.9 | 204.6 | 7.2 | 208.6 | 209.3 | -0.3 |
| Rubber & Misc. Plastics Products | 685.0 | 571.0 | -16.6 | 750.3 | 689.8 | -8.1 |
| Leather & Leather Products | 286.3 | 249.8 | -12.7 | 240.3 | 195.7 | -18.6 |
| | | *NEBRASKA* | | | | |
| MANUFACTURING--TOTAL | 89,800 | 84,400 | -6.0 | 100,065 | 83,500 | -16.6 |
| DURABLE GOODS | 47,300 | 40,800 | -13.7 | 52,255 | 42,310 | -19.0 |
| Construction Material | 3,500 | 4,100 | 17.1 | 4,739 | 4 039 | -14.8 |
| Lumber & Wood Products, except Furniture | NA | NA | NA | 2,119 | 1,393 | -34 3 |
| Stone, Clay, Glass, & Concrete Products | NA | NA | NA | 2,620 | 2,646 | 1.0 |
| Furniture & Fixtures | 2,800 | 1,800 | -35.7 | 1,795 | 1,433 | -20.2 |
| Metals | 8,600 | 8,100 | -5.8 | 9,609 | 7,600 | -20.9 |
| Primary Metal Industries | NA | NA | NA | 1,941 | 1,447 | -25.4 |
| Fabricated Metal Products, except Mach. & Tran. Equip. | NA | NA | NA | 7,668 | 6,153 | -19.8 |
| Machinery except Electrical | 27,300 | 22,400 | -17.9 | 13,618 | 11,004 | -19.2 |
| Farm Machinery & Equip. | NA | NA | NA | 8,117 | 6 032 | -25.7 |
| Electric & Electronic Machinery, Equipment and Supplies | NA | NA | NA | 10,999 | 8,312 | -24.4 |
| Transportation Equipment | NA | NA | NA | 5,900 | 4,415 | -25.2 |
| Motor Vehicles & MV Equip. | NA | NA | NA | 3,128 | 2,207 | -29.4 |
| Other Durable Goods (including instruments, toys & sporting goods, costume jewelry, notions, etc.) | 5,100 | 4,400 | -13.7 | 5,595 | 5,507 | -1.6 |
| NONDURABLE GOODS | 42,500 | 43,600 | 2.6 | 47,810 | 41,190 | -13.8 |
| Food & Kindred Products | 25,300 | 28,000 | 10.7 | 28,141 | 22,870 | -18.7 |
| Meat Products | 10,800 | 12,900 | 19.4 | 14,027 | 11,240 | -19.9 |
| Dairy Products | 2,700 | 2,500 | -7.4 | 1,852 | 1,529 | -17.4 |
| Grain Mill | 4,500 | 5,700 | 26.7 | 4,644 | 4,504 | -3.0 |
| Other Food Prod. (incl. canned & pres. prod., bakery, sugar & conf., bever., etc.) | 7,300 | 6,900 | -5.5 | 7,618 | 5,597 | -26.5 |
| Textile Products & Apparel | 2,600 | 2,300 | -11.5 | 2,351 | 2,000 | -14.9 |
| Printing, Pub., & Allied Indus. | 7,000 | 6,400 | -8.6 | 7,651 | 8,133 | 6.3 |
| Chemicals & Allied Products | 2,600 | 2,100 | -19.2 | 2,522 | 2,812 | 11.5 |
| Other Nondurable Goods (including rubber & misc. plastics, paper, & allied prod., etc.) | 5,000 | 4,800 | -4.0 | 7,145 | 5,375 | -24.8 |

(continued from page 1) the employment impact in manufacturing of the two recessions. The impact nationally and upon the Nebraska economy is reviewed in detail in order to determine similarities and dissimilarities.

## THE IMPACT OF THE 1974-75 AND 1980-82 RECESSIONS—UNITED STATES

Total manufacturing employment declined 2 million in both recessions, from 20 million to slightly more than 18 million. For simplicity, employment changes in the 1974-75 recession are measured from January 1974 to July 1975. Although the recession started late in the fourth quarter of 1973 and ended in April of 1975, employment and unemployment lag output trends. The 1980-82 recession is more difficult to date because of the up-down changes in real output. Arbitrarily, the beginning of the current recession is dated as January 1980, the end July 1982, the last date data were available as this is written. It appears that the recession ended in the second quarter of 1982, although the upturn so far has been compared to past recovery periods. Employment information in Table 2 (p. 2) reflects the above-noted dates.

Nationally, manufacturing employment declined approximately 10% in both recessions (Table 2). Durable goods manufacturing was more severely impacted than nondurable goods, as one would expect. Durable goods employment fell 13% in the 1974-75 recession, 12% in the 1980-82 recession. More than 1.5 million jobs were lost in durable goods manufacturing in both recessions.

Nondurable goods are not as cyclical and consequently employment changes are not as volatile as in durable goods. The reason for this lack of volatility, of course, is associated with the fact that nondurable goods cannot be stored indefinitely as durable goods can, nor can consumption be postponed indefinitely as in the case of durable goods. During the 1974-75 recession 600,000 jobs were lost in nondurable goods. A similar number of jobs were lost in the 1980-82 nondurable goods sector. The decline in employment constituted a decrease of 8.5% in the 1974-75 recession, and to date the decline in nondurable goods employment constitutes a loss of 6.5%.

The most severely impacted durable goods sector in 1974-75 was the furniture and fixtures category. Employment in this sector declined 20% from January 1974 to July 1975. Also severely impacted was the electric and electronic equipment group which declined 17.7% (see Table 2). Employment in the primary metals industry declined 15% in the 1974-75 recession, while fabricated metal products declined 14.4%. All of these sectors declined more than the durable goods sector itself.

The nature of the employment decline in the 1980-82 recession is somewhat different in the durable goods sector. The largest single decline has been in the primary metals industry, where 24.7% of those working in this sector in January 1980 were unemployed in July of 1982. This decline in employment is more than twice that recorded by durable goods. The primary metals industry includes steel and iron, an industry which has been severely impacted worldwide. Other industries within the primary metals group which have been substantially impacted include aluminum and other metal products.

Fabricated metals has also suffered disproportionately more in the 1980-82 recession than other durable goods manufactures. Employment in this industry decreased nearly 16% from January of 1980 to July of 1982. The furniture and fixtures sector is down 13.8% in the second recession. Employment dropped from 498,000 in January of 1980 to approximately 429,000 in July of 1982. This is a substantial drop, but not as large as that recorded during the 1974-75 recession. Stone, clay and glass products is also down more than the durable goods average, the decrease amounting to 13.1% (see Table 2). The employment decrease in the lumber and woods product area amounted to 12.1% during the 1980-82 recession. This decrease matched that recorded by the durable goods category.

Employment in the instruments and related products sector has increased during the 1980-82 recession, bucking the trend toward declining employment levels. The increase is less than 2%, from 698,000 in January of 1980 to 708,000 in July of 1982. This sector recorded a 7.3% decrease in employment during the 1974-75 recession. Employment fell from 519,000 in January of 1974 to 481,000 in July of 1975. The instruments and related products industry was the only major category recording an increase in employment in the 1980-82 recession.

As noted above, recessions are not as devastating upon employment in the nondurable goods sector as they are upon employment in the durable goods sector. The 1980-82 recession is no exception to this generalization. Employment declined by more than one-half million in the 1980-82 recession in nondurable goods industries, the decrease amounting to 6.5%. In 1974-75 this sector lost 700,000 jobs, or a decrease of 8.5%.

Food and kindred products is usually not as severely impacted by recessions as other industries, and the 1980-82 recession is no exception. During the 1974-75 recession, the food and kindred products industry recorded a 1.5% increase in employment despite a rather nasty recession, while a 1.0% increase was recorded in 1980-82. In terms of lost output, the 1974-75 recession was more severe than the 1980-82 recession. Meat products, a subclassification of the food and kindred products category, recorded employment gains during the 1974-75 recession. Employment in dairy products and grain milling has been predominately down during the past two recessions. Dairy products managed a small, 0.1% increase in the 1974-75 recession, but recorded a decrease in employment during the 1980-82 recession. Grain milling recorded a loss of employment during both recessions.

During the 1974-75 recession, the petroleum and coal production industry was not adversely affected by the recession. Employment increased 7.2% in this industry as the nation responded to a growing energy crisis. The petroleum and coal industry recorded a small increase during the 1980-82 recession of 0.3%, much less than the gain in the 1974-75 recession.

The 1974-75 recession was particularly severe in its impact upon employment in rubber and miscellaneous plastic products. Rising petroleum prices hit this industry hard in the short run. Textile mill products was also severely impacted by the 1974-75 recession, along with leather and leather products and apparel and other textile products (see Table 2).

The 1980-82 recession also had an impact upon the textile industry. Employment decreases during the current recession were more than 150,000 jobs, or approximately 17.8% of total employment in January of 1980. Apparel and other textile products have also been severely impacted by the recession as consumers limit or postpone purchases.

Printing and publishing has escaped (continued on page 6)

## Review and Outlook

Output from Nebraska's economy declined 3.0% July-August 1982. This decline follows two smaller monthly increases. The Bureau of Business Research's net physical volume index in August 1982 was approximately 3% below year previous levels and 6% below August 1980 levels.

All sectors of the Nebraska economy declined July-August, with the exception of the government sector which recorded a small 0.6% increase. The agricultural component of the state's economy dropped 2.3%, according to the Bureau's index. Prices continued weak for Nebraska and U.S. farmers and ranchers. Nebraska agricultural prices declined 0.8%, while U.S. prices declined 1.2% on a month-to-month basis. Compared with one year ago Nebraska agriculture prices were down 4.6%, while U.S. prices were down 3.6%.

The nonagriculture component of the Nebraska economy declined 3.2% July-August, according to the Bureau's net physical volume index. Construction recorded a 1.5% decrease on a month-to-month basis. Nebraska s construction industry has been severely impacted by high interest rates and the recession. In August 1982 the construction component of the index was approximately 20% below the year-previous level. The construction component of the index has moved up slightly from the May 1982 lows but remains well below peak levels recorded in the late 1970s.

The manufacturing component of the state s economy declined 0.4% July-August 1982. (continued on page 5)

Notes for Tables 1 and 2: (1) The "distributive" indicator represents a composite of wholesale and retail trade; transportation, communication and utilities; finance, insurance, and real estate; and selected services. (2) The "physical volume" indicator and its components represent the dollar volume indicator and its components adjusted for price changes using appropriate price indexes—see Table 5, page 5.

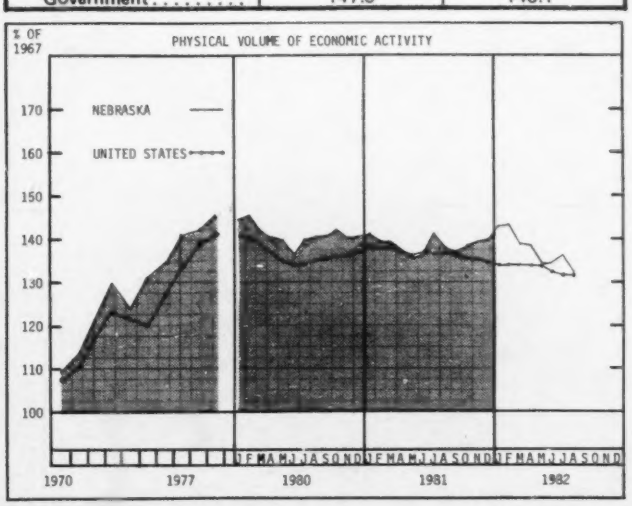
ECONOMIC INDICATORS: NEBRASKA AND UNITED STATES

1. CHANGE FROM PREVIOUS YEAR

| August 1982 | Current Month as Percent of Same Month Previous Year | | 1982 Year to Date as Percent of 1981 Year to Date | |
|---|---|---|---|---|
| Indicator | Nebraska | U.S. | Nebraska | U.S. |
| Dollar Volume | 100.6 | 100.9 | 103.6 | 102.8 |
| Agricultural | 114.4 | 103.3 | 132.4 | 104.8 |
| Nonagricultural | 98.7 | 100.8 | 99.9 | 102.7 |
| Construction | 80.4 | 98.5 | 71.4 | 93.1 |
| Manufacturing | 83.9 | 89.6 | 89.2 | 94.0 |
| Distributive | 102.0 | 104.8 | 103.1 | 106.0 |
| Government | 109.8 | 107.1 | 110.3 | 109.6 |
| Physical Volume | 96.8 | 96.1 | 99.2 | 96.9 |
| Agricultural | 119.9 | 107.1 | 139.9 | 110.6 |
| Nonagricultural | 93.5 | 95.7 | 94.1 | 96.5 |
| Construction | 79.7 | 97.6 | 69.3 | 90.4 |
| Manufacturing | 82.5 | 88.0 | 87.2 | 91.4 |
| Distributive | 96.3 | 98.9 | 96.4 | 99.2 |
| Government | 102.2 | 98.8 | 101.8 | 98.2 |

2. CHANGE FROM 1967

| Indicator | Percent of 1967 Average | |
|---|---|---|
| | Nebraska | U.S. |
| Dollar Volume | 365.8 | 363.3 |
| Agricultural | 383.9 | 356.4 |
| Nonagricultural | 362.9 | 363.6 |
| Construction | 206.2 | 309.3 |
| Manufacturing | 311.7 | 288.9 |
| Distributive | 386.6 | 408.4 |
| Government | 412.5 | 371.0 |
| Physical Volume | 132.2 | 132.0 |
| Agricultural | 153.6 | 146.1 |
| Nonagricultural | 128.9 | 131.5 |
| Construction | 62.7 | 94.0 |
| Manufacturing | 129.5 | 117.3 |
| Distributive | 132.0 | 139.5 |
| Government | 147.3 | 146.1 |

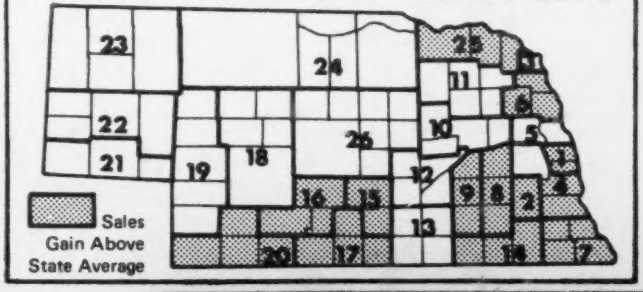



3. NET TAXABLE RETAIL SALES OF NEBRASKA REGIONS AND CITIES (Adjusted for Price Changes)

| Region Number and City | City Sales* | Sales in Region* | |
|---|---|---|---|
| | Aug. 1982 as percent of Aug. 1981 | Aug. 1982 as percent of Aug. 1981 | Year to date'82 as percent of Year to date'81 |
| *The State* | 90.5 | 92.5 | 94.3 |
| 1 Omaha | 96.5 | 97.8 | 97.2 |
| Bellevue | 95.0 | | |
| 2 Lincoln | 88.8 | 91.7 | 95.4 |
| 3 So. Sioux City | 85.0 | 88.7 | 89.5 |
| 4 Nebraska City | 102.9 | 97.2 | 94.5 |
| 5 Fremont | 92.7 | 95.9 | 93.9 |
| Blair | 96.8 | | |
| 6 West Point | 100.1 | 98.8 | 97.9 |
| 7 Falls City | 96.0 | 91.7 | 94.4 |
| 8 Seward | 91.5 | 101.3 | 94.8 |
| 9 York | 93.5 | 99.3 | 94.9 |
| 10 Columbus | 77.4 | 83.9 | 90.5 |
| 11 Norfolk | 92.5 | 96.3 | 92.5 |
| Wayne | 99.2 | | |
| 12 Grand Island | 91.8 | 91.1 | 91.2 |
| 13 Hastings | 82 2 | 86.6 | 89.0 |
| 14 Beatrice | 100.9 | 103.9 | 94.4 |
| Fairbury | 122.3 | | |
| 15 Kearney | 93.6 | 95.8 | 96.1 |
| 16 Lexington | 101.8 | 98.1 | 95.4 |
| 17 Holdrege | 80.6 | 93.3 | 95.2 |
| 18 North Platte | 102.8 | 102.6 | 92.3 |
| 19 Ogallala | 94.2 | 94.1 | 90.3 |
| 20 McCook | 100.6 | 104.4 | 95.0 |
| 21 Sidney | 89.0 | 87.3 | 92.2 |
| Kimball | 78.9 | | |
| 22 Scottsbluff/Gering | 87.0 | 90.3 | 90.1 |
| 23 Alliance | 79.5 | 86.8 | 88.3 |
| Chadron | 77.6 | | |
| 24 O'Neill | 97.1 | 95.5 | 89.3 |
| 25 Hartington | 95.9 | 96.8 | 94.4 |
| 26 Broken Bow | 83.6 | 94.1 | 89.3 |

*State totals include sales not allocated to cities or regions. The year-to-year ratios for city and region sales may be misleading because of changes in the portion of unallocated sales. Region totals include, and city totals exclude, motor vehicle sales. Sales are those on which sales taxes are collected by retailers located in the state. Compiled from data provided by Nebraska Department of Revenue.

1982 YEAR TO DATE AS PERCENT OF 1981 YEAR TO DATE IN NEBRASKA'S PLANNING AND DEVELOPMENT REGIONS






BEST AVAILABLE COPY

(continued from page 4)

The deterioration in Nebraska's manufacturing industry has been substantial and sudden. The decline was persistent but gradual from September 1981 through April 1982, but a sharp contraction in Nebraska's manufacturing economy developed in the second quarter of 1982. In August 1982 the manufacturing component of the Bureau's net physical volume index stood at 129.5 (1967=100), compared with a reading of 157.0 in August of 1981 and 159.6 in August of 1980. The index was as high as 164.9 during the third quarter of 1981.

Retail sales recorded a 3.8% dollar volume decrease in August compared with one year ago. Total retail sales were $782 million compared with $813 million one year ago.

The commodity component of the consumer price index increased 4.0% over the interval August 1981-August 1982. When the unadjusted retail sales are corrected for price changes, retail sales declined 7.5%.

Motor vehicle sales recorded an increase in August over year-previous levels. On a dollar volume basis, motor vehicle sales were $84 million in 1982 compared with $72 million one year before. This is the fifth consecutive monthly increase in motor vehicle sales. When adjusted for price changes, motor vehicle sales were up 13.6%.

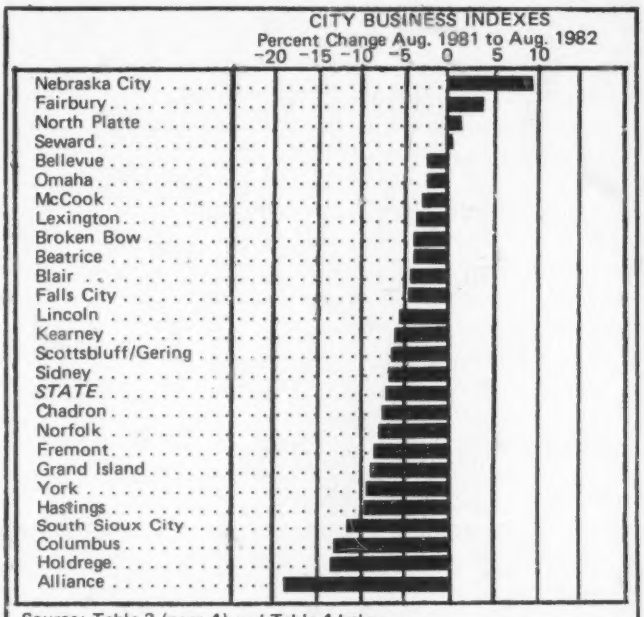
Nonvehicle retail sales declined 5.9% in August on a year-to-year basis. Sales totaled $697 million in August of 1982, down from $741 million one year previous. When adjusted for price changes, nonvehicle real retail sales were off 9.5%. This is the fourth consecutive monthly decrease in nonvehicle retail sales.

Data in Table 3 provide an indication of retail sales in Nebraska's larger trade centers. Sales are expressed monthly as a percent of the same month one year ago. Adjustments have been made for price changes.

Cities with increases in retail sales above year-previous levels include: Nebraska City, where retail sales were up 2.9%; North Platte, up 2.8%; Lexington, up 1.8%; Beatrice up 0.9%; McCook, up 0.6%; and West Point, up 0.1%. Omaha did somewhat better than the state although real retail sales were down while Lincoln did not equal the state average. Retail sales in Lincoln were down nearly 12% on a price-adjusted basis, while for the state, sales were down approximately 10%.

City business indexes reflect the strength in retail sales. Nebraska City had the largest increase, up 8.6%. Fairbury, North Platte, and Seward all had positive increases in their respective city business indexes.

D. E. P.




Source: Table 3 (page 4) and Table 4 below.

4. AUGUST CITY BUSINESS INDICATORS

| The State and Its Trading Centers | Percent of Same Month a Year Ago | | |
|---|---|---|---|
| | Employment[1] | Building Activity[2] | Power Consumption[3] |
| *The State* | 97.0 | 81.0 | 98.2 |
| Alliance | 90.9 | 31.8 | 97.5 |
| Beatrice | 97.6 | 43.9 | 99.8 |
| Bellevue | 98.1 | 103.8 | 70.2 |
| Blair | 97.1 | 65.3 | 100.4 |
| Broken Bow | 103.5 | 127.7 | 100.6 |
| Chadron | 103.1 | 132.9 | 126.2 |
| Columbus | 92.4 | 89.8 | 110.9 |
| Fairbury | 98.0 | 32.6 | 99.1 |
| Falls City | 100.8 | 48.5 | 99.3 |
| Fremont | 95.0 | 60.9 | 91.3* |
| Grand Island | 94.8 | 57.8 | 97.0 |
| Hastings | 96.7 | 93.7 | 115.5 |
| Holdrege | 96.3 | 44.8 | 106.6 |
| Kearney | 96.5 | 74.1 | 99.3 |
| Lexington | 94.5 | 63.5 | 84.7 |
| Lincoln | 97.3 | 118.9 | 97.0 |
| McCook | 92.1 | 98.8 | 111.3 |
| Nebraska City | 97.3 | 577.7 | 100.5 |
| Norfolk | 94.0 | 70.6 | 86.1 |
| North Platte | 100.4 | 91.7 | 106.9 |
| Omaha | 98.1 | 90.0 | 100.6 |
| Scottsbluff/Gering | 97.9 | 117.0 | 96.4 |
| Seward | 100.8 | 223.7 | 103.4 |
| Sidney | 99.0 | 82.5 | 98.8 |
| So. Sioux City | 99.2 | 35.7 | 101.5 |
| York | 97.6 | 31.2 | 96.6 |

[1] As a proxy for city employment, total employment for the county in which a city is located is used.

[2] Building Activity is the value of building permits issued as spread over an appropriate time period of construction. The U.S. Department of Commerce Composite Construction Cost Index is used to adjust construction activity for price changes.

[3] Power Consumption is a combined index of consumption of electricity and natural gas except in cases marked * for which only one is used.

Source: Compilation by Bureau of Business Research from reports of private and public agencies.

5. PRICE INDEXES

| August 1982 | Index (1967 = 100) | Percent of Same Month Last Year | Year to Date as Percent of Same Period Last Year* |
|---|---|---|---|
| Consumer Prices | 292.8 | 105.9 | 106.9 |
| Commodity component | 266.4 | 104.0 | 104.2 |
| Wholesale Prices | 300.4 | 101.3 | 103.2 |
| Agricultural Prices | | | |
| United States | 244.0 | 96.4 | 94.8 |
| Nebraska | 250.0 | 95.4 | 95.0 |

*Using arithmetic average of monthly indexes.
Sources: Consumer and Wholesale Prices: U.S. Bureau of Labor Statistics; Agricultural Prices: U.S. Department of Agriculture.

(continued from page 3) the ravages of the 1980-82 recession. The decline in employment in this industry is less than 4,000, a scant 0.3% of total employment in January 1980. The 1974-75 recession had a relatively mild impact upon this industry, with employment declining 4%. Chemicals and allied products also fared reasonably well compared with other nondurable goods industries.

### THE IMPACT OF THE 1974-75 AND 1980-82 RECESSIONS UPON EMPLOYMENT—NEBRASKA

The 1980-82 recession has had a more devastating impact upon employment in Nebraska's manufacturing sector than the 1974-75 recession. Employment declined by more than 16,000 or 16.6% in the current recession, compared with an employment decrease of 5,000 or 6% in the 1974-75 recession.

Durable goods employment was more severely impacted than nondurable goods in both recessions. During the 1974-75 recession Nebraska lost approximately 7,000 jobs in durable goods, or 13.7% of employment at the outset of the recession. Approximately 10,000 jobs or 19% have been lost during the 1980-82 recession in durable goods manufacturing.

Following national trends, the most severely impacted Nebraska durable goods sector during the 1974-75 recession was furniture and fixtures, where employment declined by more than one-third. In the current recession, employment is off 20%, somewhat more than the decrease in durable goods employment.

The machinery sector of Nebraska's manufacturing base has been hard hit by both recessions. The decrease in the 1980-82 recession is more severe than in the 1974-75 recession. Farm machinery and equipment has been particularly hard hit during the 1980-82 recession, with a decrease in employment of more than 25% being recorded from January of 1980 to July of 1982.

It should be noted that information is not available in all categories at the state level to compare the impact of the 1980-82 recession with the 1974-75 recession. In many cases, information of sufficient detail was simply not available in the earlier period.

A review of the data in Table 2 indicates the severity of the 1980-82 recession. In almost all cases, durable goods employment has been more severely impacted by the current recession than by mid-1970's recession. Nebraska lost 19% of its durable goods jobs in the 1980-82 recession. Some sectors have recorded employment losses of up to one-third (lumber and wood products), while declines of one-quarter are not uncommon. It remains to be seen whether any long term impact of the current recession upon employment in durable goods will be felt by the state.

Nondurable goods employment is also being adversely impacted by the 1980-82 recession. Employment in this sector is down more than 6,000 jobs, or 13%. During the 1974-75 recession, employment in nondurable goods manufacturing in Nebraska actually increased 2.6%, or more than 1,000 jobs. The contrast between the two recessions is striking.

Food and kindred products and, in particular, meat products led the employment gain during the 1974-75 recession. Food and kindred products recorded an increase of 10.7%, while meat products recorded an increase of 19.4% during the 1974-75 recession. Employment gains were in line with national trends but were disproportionately more favorable in Nebraska during the earlier recession.

Employment decreases have been recorded in the food and kindred products and meat products area during the 1980-82 recession. Food and kindred products recorded an overall decline of nearly 19%, while employment in meat products declined nearly 20%. Dairy products and grain milling also recorded employment losses during the 1980-82 recession. While employment losses nationally are common during the 1980-82 recession for food and related products industries, the loss of jobs is disproportionately greater in Nebraska than in the nation. Just as Nebraska disproportionately gained jobs in the food and related products industries during the 1974-75 recession, Nebraska is now losing jobs more rapidly in this same important industry.

Other nondurable industries have also lost jobs during the 1980-82 recession (Table 2). The printing and publishing industry, however, stands out as an area bucking the trend toward less and less jobs. Employment in this industry is up more than 500 jobs during the 1980-82 recession. The increase amounts to 6.3% of the January 1980 employment base. The chemical and allied products industry in Nebraska also recorded an employment gain during the 1980-82 recession. Unfortunately, these two industries constitute only about 10% of Nebraska's total manufacturing employment.

D. E. P.



**UNL news**

Published once in June and July; twice in Feb., May, Aug., Sept., Nov., and Dec.; three times in Jan. and Mar.; and four times in Apr. and Oct. by the University of Nebraska–Lincoln, Dept. of Publications Services & Control, 209 Nebraska Hall, Lincoln, NE 68588-0524. Second-Class Postage Paid at Lincoln, NE. POSTMASTER: Send address changes to UNL News, Dept. of Publications Services & Control, 209 Nebraska Hall, University of Nebraska–Lincoln, Lincoln, NE 68588-0524

**BUSINESS IN NEBRASKA**
**PREPARED BY BUREAU OF BUSINESS RESEARCH**
**Member, Association for University Business & Economic Research**

*Business in Nebraska* is issued monthly as a public service and mailed free within the State upon request to 200 CBA, University of Nebraska–Lincoln, Lincoln, NE 68588-0406. Material herein may be reproduced with proper credit.

No. 459 December 1982

BUREAU OF BUSINESS RESEARCH
Donald E. Pursell, *Director*
Charles L. Bare, *Statistician*
Jerome A. Deichert, *Research Associate*
Douglas O. Love, *Research Associate*
Jean T. Keefe, *Editorial Assistant*

UNIVERSITY OF NEBRASKA–LINCOLN
Martin A. Massengale, *Chancellor*
COLLEGE OF BUSINESS ADMINISTRATION
Gary Schwendiman, *Dean*

The University of Nebraska–Lincoln does not discriminate in its academic, admission, or employment programs and abides by all federal regulations pertaining to same.

Second-Class
Postage Paid
Lincoln, NE

CONGRESSIONAL INFO SERVICE270238
CRI
6520 EAST WEST HWY
BETHESDA, MD 20014